

Status Report on REC Verification, Tracking Systems and Associated Issues

Meredith Wingate

**Director of Clean Energy Policy Design and Implementation
Center for Resource Solutions**

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DOE Workshop on REC Markets and Challenges

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Main Points

- Think National
 - Verification issues are getting more complicated with the intersection of RECs and emissions markets
 - Market needs more rigorous verification
- More coordination is needed

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Role of Tracking Systems

- Primary tool for implementing state RPS programs
- Produce data for environmental disclosure programs
- Facilitate REC transactions

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Certificate-based Tracking Programs

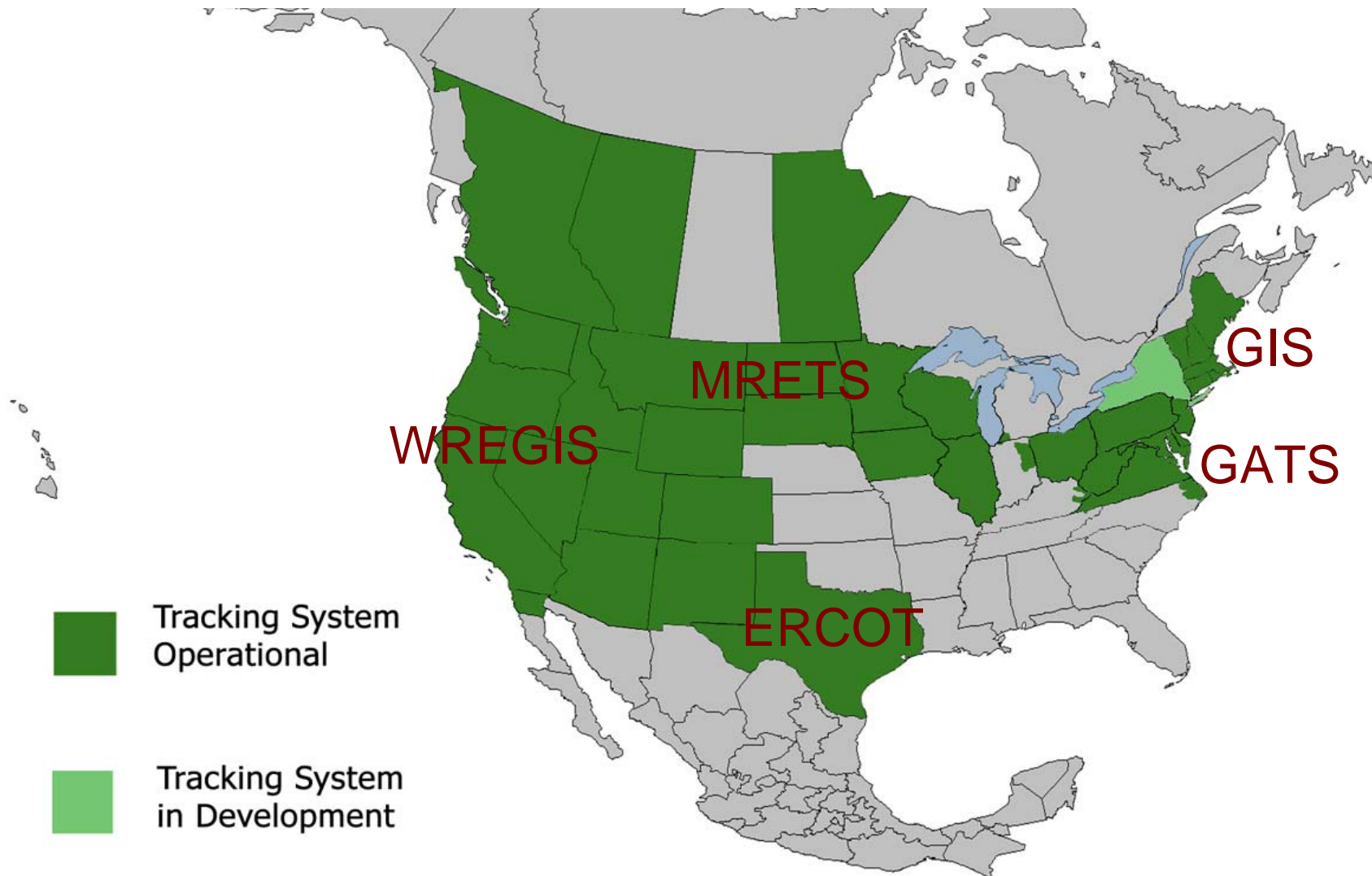
- ERCOT RECs Program (2001)
- NEPOOL GIS (2002)
- WI RRC Program (2003-2007)
- PJM GATS (2005)
- NJ SRECS (2005)
- WREGIS (2007)
- M-RETS (2007)
- New York State (2008?)

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Certificate Tracking Systems



Tracking Functionality: Report Card

1. Issue RECs to generators
2. Verify generation amount- data are consistently treated
3. Provide permanent retirement mechanism for certificates
4. Ability to issue and track RECs for DG

A

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Report Card

- 6. Provide for banking functionality B
- 7. Verify deliverability requirements
- 8. Level of verification with regards to DG generation and attributes C
- 9. Ability to import/export RECs between tracking systems

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Report Card

- 9. Ability to ensure that certificates contain all attributes D
- 10. Transparency with regards to disaggregated RECs D
- 11. Ability to prevent double-selling of attributes D
- 12. Coordination between electricity tracking systems and GHG registries/tracking bodies D

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What is Needed?

- Much better coordination between the tracking bodies
 - North American Association of Issuing Bodies
- Greater appreciation of national scope
- Acceptance and support of REC market by the regulatory community, OR
- Policy driver (GHG regulation?)
- Funding for a national dialog on issues

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North American Association of Issuing Bodies

- Program of CRS since 2003
- Vision:
 - Independent Non-profit
 - Membership-based organization
 - Tracking systems- Council Members
 - Stakeholders- Affiliate Members

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North American Association of Issuing Bodies

- Mission: Provide a forum for coordination and cooperation of certificate tracking systems in North America
 - Promote compatibility among tracking systems
 - Address market problems, such as double counting
 - Facilitate a common understanding and consistent treatment of RECs within tracking systems

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NAAIB Progress Report

- Working group of tracking system operators and regulators
 - Developed 3 consensus papers
- Ready to incorporate as a non-profit
 - Completed By-Laws, Business Plan and preliminary budget
- In process of forming a Board of Directors
- Seeking funding to launch organization

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Benefits to REC Market

- Enable certificate transfers between systems
- Ensure some consistency in certificates as a currency
 - Similar sources of underlying data
 - Similar data verification standards
- Ensure credibility of markets by working together to prevent double sales or other double counting at seams, incl. GHG
- Accommodate new markets, e.g. tracking EE certs

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Issues with Coordination

- Systems developed with regional orientation, not national orientation
- Harmonization = change
 - Cost of changes
 - Decision-making can be difficult
- Fear of market implications
 - How import/export capability will affect market prices
- No regulatory driver

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Possible Federal Roles

- Financial assistance to regional tracking systems
- Assist with verification
 - Better use of EIA data
 - Expanding data EIA collects
 - Support development of national generator verification program
- Support voluntary coordination efforts like the NAAIB

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Summary

Priority Tracking Issues

- Standards for verification of generation characteristics
- Proactively address disaggregation in tracking systems
- Develop national import/export agreements/capability between tracking systems

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Summary

Priority Tracking Issues

- Coordination between GHG programs and tracking systems
- Consistent treatment of null power
- Consistent treatment of distributed generation

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Conclusions

- National problems and require national solutions
 - New markets need consistent treatment
 - Barriers are political not technological!!
- Need upward harmonization
- NAAIB can provide the forum for resolving these issues
- Federal funding needed

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More Information

Contact: mwingate@resource-solutions.org

NAAIB: <http://www.resource-solutions.org/policy/naaib/index.htm>

About CRS

- Non-profit organization
- Promote renewable energy & EE
- Leading organization on green power certification/accreditation (Green-e)
- **www.resource-solutions.org**

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